Del Mar Energy Inc.

Annual Report 1997

ABOUT THE COVER

The Spanish Main

The Conquistadores' invasion of Central America, hot on the heels of Columbus' historic voyage, gave the Caribbean Sea the mariners' nickname of the Spanish Main. Treasure-laden galleons, on their way back to the old world with the spoils of conquest, presented a tempting target to the mostly British privateers. Many a victim rests on the ocean floor still containing much of its riches. Del Mar is actively engaged in bringing todays treasure – oil & gas – to the surface.

Highlights

Financial *(Cdn $ except per share amounts)*	**1997**	**1996**
Revenue	573,215	766,727
Cash Flow from (used in) Operations	(95,286)	93,491
Net Loss	(251,500)	(105,058)
Per Share	(0.02)	(0.02)
Long Term Debt	0	280,000
Shareholders Equity	4,446,344	1,059,852
Operations		
Production, net to Del Mar (BOPD)	55	75
Average Sales Price (Cdn$/bbl)	27.95	28.03
Reserves (proven and probable)		
Crude oil, mbbl	1,200	307
Natural gas, mmcf	1,380	48

TO THE

Shareholders

DEL MAR ENERGY INC.

(Del Mar) is pleased to report that 1997 was a year of international growth for the company. Del Mar became a reality in November 1997 as a result of the acquisition of Vista Oil Ltd. by Rockbound Resources Inc. and a subsequent name change. Del Mar is primarily focused on South America and specifically on Trinidad and Venezuela.

Effective November 3, 1997 Del Mar completed the acquisition of 100 percent of Vista Oil Ltd. and 10 percent of Mora Oil Ventures Ltd. (Mora). On September 16, 1997 Del Mar completed a private financing with its agent FirstEnergy Capital Corporation by issuing 7.9 million share purchase warrants for gross proceeds of $2,133,000. A portion of the funds was used to satisfy the purchase price for the Mora acquisition.

Mora holds an offshore license in Trinidad comprised of about 5,035 acres located in 120 feet of water approximately 10 miles from Galeota Point, Trinidad. A third party report prepared by Gaffney Cline & Associates Inc. of Dallas, Texas estimates proven and probable oil reserves of 9.8 million barrels (2.7 million proven) and proven natural gas reserves of 13.8 billion standard cubic feet. A project finance loan from the Inter-American Investment Corporation was approved and US$2.0 million was drawn down in July 1997. The purpose of the project finance loan is to further develop proven and probable reserves within the licence.

As of April 1998, production from the Mora license reached 1,000 barrels of oil per day. Del Mar is currently conducting a technical and economic review and contemplating increasing its equity position. Del Mar believes that the Mora Block has significant exploration potential based on existing seismic surveys and adjacent license production of 55,000 barrels of oil per day.

Our Canadian operations near Weyburn, Saskatchewan continue to provide a base cash flow for Del Mar. In November 1997, Del Mar reached a settlement with Mercantile International Petroleum Inc. in respect of a proposed acquisition in Peru of CIA Rio Bravo S.A. announced by the corporation in a press release dated February 7, 1997. Overall, Del Mar received cash payments from Mercantile in excess of costs incurred in this Peru venture.

In 1998, Del Mar plans to further grow in Trinidad. We believe that our niche international focus combined with strong local relationships has the potential to create significant shareholder value.

On behalf of the Board of Directors

Brian C. Larsen, *Managing Director*

In November of 1997, Del Mar acquired ten percent of Mora Oil Ventures Ltd. (Mora) with an option to acquire up to 50 percent of the company after drilling the first and second development wells on the Mora license. Del Mar has a strategic alliance agreement with key individuals in the Trinidad petroleum sector with technical expertise and strong local relationships to originate and secure new deals.

A project finance loan is in place from the Inter-American Investment Corporation to provide funding for the drilling of development wells on the Mora license.

Mora was granted an exploration and production license comprising 5,035 acres called the Mora License on December 30, 1994. The license allows for an initial six year period to prove commercial reserves and is renewable for a further 19 year term. The Mora license was declared commercial by Amoco Trinidad Oil Company in 1972 after drilling the West Tourmaline #1 discovery well. Amoco pursued further exploration of the license with drilling the of the Galeota Ridge 4 well which drill stem tested at 3,100 barrels of oil per day. Two additional successful delineation wells led to the installation of a nine slot platform from which five development wells were drilled in 1986 and 1987. Amoco invested approximately US$40 million into the Mora License prior to its divestment to Mora on December 30, 1994. The Government of Trinidad and Tobago simultaneously issued a 25 year exploration and production license. Mora has a firm contract for sales of all oil production to Amoco Supply and Trading Company of Houston with a fixed market driven formula for pricing pegged to Nigerian Bonny Light. The average oil quality is 34 degrees API.

The Trinidad Government royalty on oil production is 12.5 percent and the gas royalty is 5 percent. The petroleum tax rate in Trinidad and Tobago is 50 to 55 percent.

During 1997 reports were completed by Gaffney Cline Associates and D&S Reservoir Engineering. Remaining proven reserves were estimated to be 2.7 million barrels and probable reserves are estimated to be 7.1 million barrels. Possible reserves were estimated to be about 26 million barrels.

1997 ACTIVITIES AND PROJECT HISTORY

Trinidad

Mora License

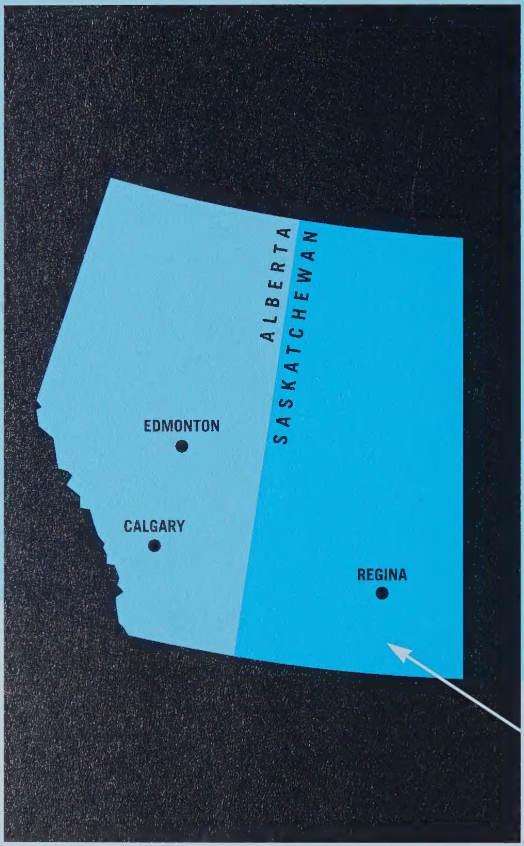
The Mora platform was originally intended to be used in conjunction with a jack-up drilling rig. Mora Oil purchased a snubbing unit for the platform to facilitate well workovers and light drilling operations and all well maintenance operations at reduced costs. Other major platform equipment includes a 60 tonne crane, a 3,000 barrel of oil per day separator train, a test separator, a 400 horsepower gas lift compressor, a 10 inch oil transfer pipeline to Amoco's facilities and an 8 inch gas transfer pipeline to the National Gas Company's 30 inch gas transmission pipeline. Pipeline capacity to market sale point is 10,000 barrels per day which is currently underutilized. Enhancement to the platform was completed by adding metering facilities, a kitchen and living facilities for up to 30 workers to allow full-time manned operations.

1997 ACTIVITIES AND PROJECT HISTORY

Canada

Del Mar is an operator of several oil producing properties in the Weyburn area of south east Saskatchewan.

Net production to Del Mar in December 1997 was approximately 50 barrels of oil per day. A third party report prepared by Dobson Resource Management Ltd., effective June 30, 1997, assigned net proven oil reserves of 125,000 barrels and net unrisked probable reserves of 181,000 barrels to Del Mar.



In 1998, Del Mar is reviewing strategies to increase its production in Saskatchewan. These strategies include increasing production on existing properties and acquisition of further properties.

Del Mar Properties

MANAGEMENT'S DISCUSSION AND ANALYSIS

MD&A

The financial statements of Del Mar Energy Inc. were prepared by Management in accordance with Canadian generally accepted accounting principles and are consistent with the financial and operating information presented in this Annual Report.

Management has established and maintains internal controls to provide suitable assurance that all assets are safeguarded and to facilitate the preparation of reliable and timely financial information. Timely disclosure may require the use of estimates, in cases where transactions affecting the current reporting period cannot be finalized or known for certain until future periods. Such estimates are based on judgements made by management, using all relevant information known at the time.

Independent auditors appointed by the shareholders have examined the corporate and accounting records in order to express their opinion on the financial statements. The Audit Committee has reviewed these financial statements with management and the auditors and has reported to the Board of Directors. The Board of Directors has approved the financial statements.

Financial Highlights

The Company completed a warrants offering dated September 11, 1997 for aggregate proceeds of $2,133,000 by issuing 7,900,000 share purchase warrants which were converted into common shares. The funds were used to purchase ten percent of Mora Oil Ventures Ltd. in Trinidad and provide working capital for further business development in Trinidad and Venezuela. The company also has an option to purchase up to fifty percent of Mora Oil Ventures Ltd. at an agreed pricing structure.

The Company's cash balance was $449,223 at December 31, 1997. The company has no long term debt as at December 31, 1997.

Total net revenue after royalties for the year ending December 31, 1997 was $478,655. Royalties in 1997 were $94,560. The revenue originated primarily from the Company's oil properties in Saskatchewan. Production expenses in 1997 were $306,180. General and Administrative expenses in 1997 were $311,146 which included business development in Peru, Trinidad and Venezuela plus severance payments for three former officers of the Company.

The Company forward sold 50 barrels per day of production with EOTT Energy Canada Ltd. at a fixed price of US$20.75 locked in at CDN$29.54 effective Feb 1, 1998 per barrel effective November 1, 1997 until June 30, 1998.

Brian C. Larsen
Managing Director

John M. Ellis
Chief Financial Officer

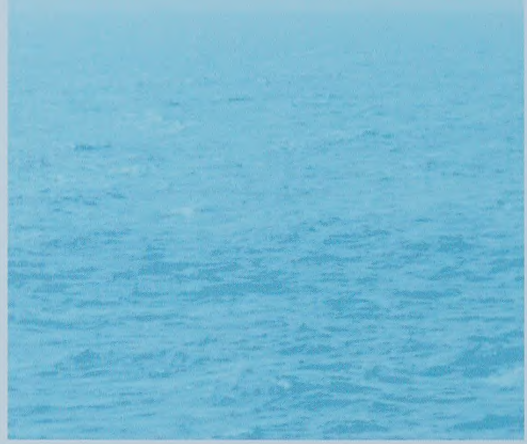
TO THE

Shareholders

Del Mar Energy Inc.

(formerly Rockbound Resources Inc.)

AUDITORS' REPORT



We have audited the consolidated balance sheets of Del Mar Energy Inc. (formerly Rockbound Resources Inc.) as at December 31, 1997 and 1996 and the consolidated statements of loss and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1997 and 1996 and the results of its operations and changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Collins Barrow
Chartered Accountants

Collins Barrow

Calgary, Alberta
March 27, 1998

CONSOLIDATED
Balance Sheet

Del Mar Energy Inc. *(formerly Rockbound Resources Inc.)* at December 31, 1997 and 1996

	1997	1996
Assets		
Current assets		
Cash and short-term investments	$ 449,223	$ 140,682
Accounts receivable	125,362	219,355
Income taxes recoverable	-	12,482
Prepaid expenses	16,737	4,463
	591,322	376,982
Long-term investment (note 3)	3,432,334	-
Capital assets (note 4)	644,808	1,232,933
	$ 4,668,464	$ 1,609,915
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 203,140	$ 233,703
Long-term debt (note 5)	-	280,000
Provision for future site restoration costs	18,980	36,360
Shareholders' Equity		
Share capital (note 6)	4,931,892	1,293,900
Deficit	(485,548)	(234,048)
	4,446,344	1,059,852
	$ 4,668,464	$ 1,609,915

Approved by the Board,

Peter Sh..., *Director*

John M. Ellis, *Director*

CONSOLIDATED

Statements of Loss and Deficit

Del Mar Energy Inc. *(formerly Rockbound Resources Inc.)* Years Ended December 31, 1997 and 1996

	1997	1996
Revenue		
Petroleum and natural gas revenues	$ 573,215	$ 766,727
Less: Royalties	(94,560)	(120,062)
	478,655	646,665
Alberta Royalty Tax Credits	5,361	7,315
Interest and other income	52,612	23,253
Gain on disposal of capital assets	60,863	21,164
Share of loss from investment (note 3)	(37,006)	-
	560,485	698,397
Expenses		
Production	306,180	389,647
Exploration	57,138	66,540
General and administrative	311,146	102,269
Interest on long-term debt	1,485	16,698
Depletion and depreciation	136,036	228,301
	811,985	803,455
Net loss	(251,500)	(105,058)
Deficit, beginning of year	(234,048)	(128,990)
Deficit, end of year	$ (485,548)	$ (234,048)
Net loss per share (note 6[g])	$ (0.02)	$ (0.02)

CONSOLIDATED

Statements of Changes in Financial Position

Del Mar Energy Inc. *(formerly Rockbound Resources Inc.)* Years Ended December 31, 1997 and 1996

	1997	1996
Operating activities		
Net loss	$ (251,500)	$ (105,058)
Add (deduct) items not affecting cash		
Depletion and depreciation	136,036	228,301
Gain on disposal of capital assets	(60,863)	(21,164)
Share of loss from investment	37,006	-
	(139,321)	102,079
Net change in non-cash working capital balances	44,035	(8,588)
Cash provided from (used in) operations	(95,286)	93,491
Financing activities		
Proceeds (repayments) of long-term debt, net	(280,000)	280,000
Issuance of share capital	3,860,398	273,740
Share capital issuance costs	(222,406)	(9,598)
Net change in non-cash working capital balances	23,466	10,251
Cash provided from financing activities	3,381,458	554,393
Investing activities		
Acquisition of Vista Oil Ltd.	(1,699,092)	-
Investment in Mora Oil Ventures Ltd.	(1,770,248)	-
Proceeds on disposition of capital assets	572,081	68,916
Acquisition of capital assets	(76,509)	(763,964)
Net change in non-cash working capital balances	(3,863)	6,247
Cash used in investing activities	(2,977,631)	(688,801)
Cash inflow (outflow)	308,541	(40,917)
Cash and short-term investments, beginning of year	140,682	181,599
Cash and short-term investments, end of year	$ 449,223	$ 140,682

Notes to Consolidated Financial Statements

Del Mar Energy Inc. *(formerly Rockbound Resources Inc.)* Years Ended December 31, 1997 and 1996

1. Significant accounting policies

The consolidated financial statements of the company have been prepared in accordance with generally accepted accounting principles consistently applied. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for the year necessarily involves the use of estimates and approximations which have been made using careful judgment. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Company activities and basis of presentation

The company's activities are the exploration for and development of oil and gas properties.

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiary, Vista Oil Ltd., a corporation incorporated in the British Virgin Islands.

On October 16, 1997, the company amended its articles and changed its name from Rockbound Resources Inc. to Del Mar Energy Inc.

(b) Long-term investment

The company uses the equity method to account for its long-term investment, whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the company's pro-rata share of post acquisition earnings and losses.

Where there has been a permanent decline in value, the investment is stated at net realizable value.

(c) Exploration and development costs

The company follows the successful efforts method of accounting for its oil and gas exploration and development costs. The initial acquisition costs of oil and gas properties and the costs of drilling and equipping development wells and successful exploratory wells are capitalized. The costs of exploration wells classified as unsuccessful are charged to expense. All other exploration expenditures, including geological and geophysical costs and annual rentals on exploratory acreage, are charged to expense as incurred.

Capitalized costs of producing properties and equipment are depleted and depreciated using the unit of production method based on estimated proven reserves determined by independent and company engineers. Costs subject to depletion also include estimated future site restoration costs. This would include the cost of production equipment removal and environmental cleanup based on regulations and economic circumstances at year-end.

All property and equipment is periodically evaluated and if conditions warrant, an impairment provision is provided.

The amounts recorded for depletion and depreciation of exploration and development costs and the provision for future site restoration are based on estimated proven reserves. By their nature, these estimates are subject to measurement uncertainty and changes in such estimates may have a material impact on the consolidated financial statements of future periods.

(d) Joint venture accounting

Substantially all of the exploration and production activities of the company are conducted jointly with others and accordingly these financial statements reflect only the company's proportionate interest in such activities.

(e) Depreciation

Other equipment is depreciated using the declining balance method at rates ranging from 20% to 100% per annum.

(f) Risk management

The company purchases forward contracts to hedge its exposure to the risks associated with fluctuating oil prices. Gains and losses associated with risk management activities are recognized as adjustments to production revenue at the time the related production is sold.

(g) Flow-through shares

Share capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (Canada). The Act provides that, where the share issuance proceeds are used for exploration and development expenditures, the related income tax deductions may be renounced to subscribers. Accordingly, these expenditures provide no income tax deduction to the company.

The value assigned to the properties upon which the subscribers' funds were expended is the actual dollar amount of the expenditures with share capital being recorded based on cash received.

2. Acquisitions

(a) Pursuant to a Stock Purchase Agreement dated July 15, 1997, the company acquired all of the issued and outstanding common shares of Vista Oil Ltd. ("Vista"). The acquisition was accounted for using the purchase method.

The purchase price was allocated as follows:

Cash	$	1,552
Option to purchase 10% of the outstanding shares of Mora Oil Ventures Ltd. ("Mora")		1,699,092
Total purchase price	$	1,700,644

Consideration for the purchase consisted of:

5,500,000 common shares of the company (note 6[b])	$	1,650,000
Acquisition costs		50,644
	$	1,700,644

(b) Pursuant to an Acquisition and Shareholders Agreement dated July 30, 1997, Vista acquired 10% of the outstanding shares of Mora. The purchase price was $1.50 US per share for a total consideration $1,209,750 US ($1,705,264 Cdn.).
Pursuant to Shareholder Agreement Provisions forming part of the Acquisition and Shareholders Agreement, all strategic investing, financing and operating decisions require approval of all the shareholders of Mora. As a result, Vista exercises significant influence over Mora and therefore the investment is being accounted for by the equity method.

The acquisition cost is as follows:

Purchase price	$ 1,705,264
Vista's option to purchase Mora (note 2[a])	1,699,092
Acquisition costs	64,984
Total purchase price	$ 3,469,340

3. Long-term investment

The company's pro-rata share of Mora's net loss for the period from acquisition to December 31, 1997 was $36,007. The carrying value of the investment is as follows:

Purchase price	$ 3,469,340
Less: Share of loss	(37,006)
	$ 3,432,334

4. Capital assets

1997	Cost	Accumulated Depletion and Depreciation	Net Book Value
Petroleum and natural gas properties including exploration and development thereon	$ 632,619	$ 173,411	$ 459,208
Lease and well equipment	180,226	44,494	135,732
Other equipment	70,206	20,338	49,868
	$ 883,051	$ 238,243	$ 644,808

1996	Cost	Accumulated Depletion and Depreciation	Net Book Value
Petroleum and natural gas properties including exploration and development thereon	$ 1,173,518	$ 232,025	$ 941,493
Lease and well equipment	357,978	87,110	270,868
Other equipment	27,332	6,760	20,572
	$ 1,558,828	$ 325,895	$ 1,232,933

Future site restoration costs are estimated in aggregate to be $59,500 (1996 - $164,700) of which $6,402 (1996 - $16,000) has been charged to current loss and is included in depletion and depreciation.

Included in property and equipment at December 31, 1997 are assets with a net book value of $221,384 (1996 - $264,570) which have no tax base.

During 1996, as a result of an evaluation of petroleum and natural gas properties, certain properties were written-down by $55,143. This write-down is included in depletion and depreciation expense. No write-down was required during 1997.

5. Long-term debt

Subsequent to December 31, 1997, the company negotiated a demand revolving loan in the amount of $400,000 requiring monthly principal reductions of $8,000 commencing December 1, 1998. The loan bears interest at a Canadian chartered bank's prime rate plus 1.5% per annum. At December 31, 1997, no amount has been drawn on this facility.

The loan is secured by a general security agreement covering all present and after acquired property, a first fixed and floating charge debenture in the amount of $750,000 over certain assets, environmental indemnity and an assignment of necessary insurance.

6. Share capital

(a) Authorized

Unlimited number of common voting shares
Unlimited number of preferred shares
issuable in series

(b) Issued

Common shares

	Number	Stated Value
Balance, December 31, 1995	6,484,168	$ 1,104,250
Exercise of stock options	478,000	73,740
Pursuant to a private placement	1,000,000	200,000
Balance, December 31, 1996	7,962,168	1,377,990
Exercise of stock options	309,592	77,398
Pursuant to acquisition of Vista (note 2[a])	5,500,000	1,650,000
Pursuant to private placement (note 6[d])	7,900,000	2,133,000
Balance, December 31, 1997	21,671,760	5,238,388
Less: Share issuance costs		
Balance, December 31, 1995		74,492
Additions		9,598
Balance, December 31, 1996		84,090
Additions		222,406
Balance, December 31, 1997		306,496
Balance, December 31, 1997		$ 4,931,892

(c) The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

(d) Pursuant to an Agency Agreement dated September 11, 1997 between FirstEnergy Capital Corp. (the "Agent") and the company, the Agent offered for sale by way of a private placement, 7,900,000 share purchase warrants ("warrants"). Each warrant entitled the holder thereof to acquire one common share of the company at a price of $0.27 per share. The warrants were exercised upon the closing of the investment in Mora for aggregate proceeds of $2,133,000. The Agent received a fee of $149,310 equal to 7% of the aggregate proceeds. The Agent was also granted an option to purchase 200,000 common shares (note 6[e]).

(e) The company has reserved 1,350,000 common shares for issuance under a stock option plan for officers, directors and consultants. Of these options 350,000 are currently exercisable at $0.25 per share until expiry December 10, 2001. The remaining 1,000,000 options are exercisable at $0.30 per share until expiry September 23, 2002.

During the year, the company granted 200,000 stock options to FirstEnergy Capital Corp. to be exercised at a price of $0.27 per share until expiry September 16, 1999.

(f) As at December 31, 1997, the following common shares are held in escrow to be released pursuant to a written application to The Alberta Stock Exchange as follows:

Number	**Release Date**
1,950,000	- one share for each $0.27 of cash flow of a subsidiary.
3,150,000	- one-third on each of October 21, 1998, 1999 and 2000.
5,100,000	

(g) Net loss per share is calculated based on the weighted average number of common shares outstanding during the year of 10,631,919 (1996 - 6,549,302).

7. Income taxes

(a) Income tax expense differs from that which would be expected from applying the effective Canadian federal and provincial income tax rates of 44.62% (1996 - 44.62%) to the loss before income taxes as follows:

	1997	**1996**
Expected tax recovery	$ (112,219)	$ (46,877)
Increase (decrease) resulting from:		
Non-deductible crown payments, net of Alberta Royalty Tax Credits	35,508	44,772
Resource allowance	9,330	(22,625)
Share of loss from investment	16,512	-
Depletion on non-tax based assets	19,269	14,293
Deferred tax benefit not recognized	37,291	8,921
Other	(5,691)	1,516
	$ -	$ -

(b) The consolidated financial statements do not reflect potential tax reductions available through the application of losses carried forward against future year's earnings otherwise subject to income taxes.

8. Commitments

(a) Lease commitments

The company is committed under leases on their office premises for future minimum rental payments as follows:

1998	$ 23,856
1999	23,856
2000	23,856
2001	23,856
2002	3,976
	$ 99,400

(b) Consulting fees
The company has committed to pay $165,000 in consulting fees to certain officers and directors of the company to October 31, 1998.

9. Related party transactions

During the year, the company paid $223,000 (1996 - $70,650) in consulting fees to companies which are controlled by directors and officers of the company and former directors and officers of the company.

These transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Management is of the opinion that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

10. Financial instruments

(a) Risk management
In order to manage exposure to fluctuations in oil prices, the company entered into the following forward contracts for 50 barrels of oil per day, the full benefits (costs) have yet to be realized:

January 1, 1997 to October 31, 1997	US	$ 21.85
November 1, 1997 to June 30, 1998	CDN	$ 29.54

Petroleum and natural gas revenues include gains related to these contracts amounting to approximately $24,555.

(b) Fair values

The fair value of all recognized financial instruments approximate their carrying amount.

The fair value of forward contracts entered into as part of the company's risk management activities is equal to the unrealized gains (losses) inherent in the contracts. Based on mark to market valuations as at December 31, 1997, the fair value of these contracts are $32,852.

(c) Credit risk

The company's maximum credit risk exposure is limited to the carrying value of its accounts receivable and any inherent gains related to its risk management activities. At December 31, 1997 the maximum credit risk was $158,214 (1996 - $219,355).

11. Comparative figures

The presentation of certain figures of the previous year has been changed to conform to the presentation adopted for the current year.

CORPORATE Information

Board of Directors

Dean W. Curtis *(1) (2)*

John M. Ellis *(1) (2)*

Brian C. Larsen

Jim M. Pasieka

Art Meyer *(1) (2)*

(1) Member of Audit Committee
(2) Member of Compensation Committee

Officers

John M. Ellis
Chief Financial Officer

Brian C. Larsen
Managing Director,
Canadian Operations

Richard F. McHardy
Corporate Secretary

James M. Pasieka
Managing Director,
International

Abbreviations

bbls	Barrels
bbls/day	Barrels per day
mbbls/d	Thousand barrels per day
boe	Barrel of oil equivalent
mboe	Thousand Barrels of oil equivalent
boe/d	Barrel of oil equivalent per day
mcf	Thousand cubic feet
mcf/d	Thousand cubic feet per day
mmcf	Million cubic feet
mmcf/d	Million cubic feet per day
WTI	West Texas Intermediate

Head office

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Web: www.delmar-energy.com

Stock Exchange Listing

Alberta Stock Exchange
Trading Symbol: "DEM"

Transfer Agent & Registrar

Montreal Trust Company
Calgary, Alberta

Bankers

Canadian Western Bank
Calgary, Alberta

Auditors

Collins Barrow
Calgary, Alberta

Solicitors

Code Hunter Wittmann
Calgary, Alberta

Evaluation Engineers

Dobson Resource Management Ltd.
Calgary, Alberta

D&S International Consultants Ltd.
Calgary, Alberta

The Annual General Shareholders Meeting

will be held at 9:00 a.m. on Wednesday

June 24, 1998

in the offices of Del Mar Energy Inc. 800, 840 - 7th Avenue S.W., Calgary, AB.

All shareholders are encouraged to attend. If unable to attend, shareholders are requested to complete and return the Form of Proxy to the Company's registrar and transfer agent, Montreal Trust Company of Canada.

Del Mar Energy Inc.

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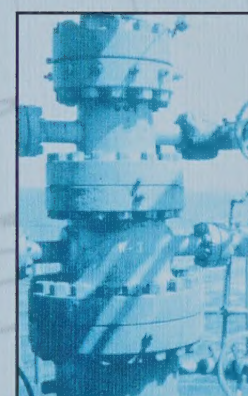

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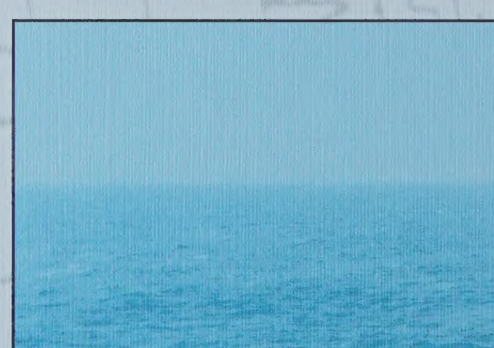
Alberta Stock Exchange
Trading Symbol: "DEM"



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